

Business Strategy for Pursuing Social Value for B-Corp Certified Social Enterprises: Oyori Asia Case Study Review

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In 2019, B Lab announced its annual honoree list of the top-performing B Corps in terms of global business impact. This included recognition for impact-driven businesses in the areas of environment, community, customers, workers and overall impact, or those that earned a score in the top 10% on the B Impact Assessment. Among high-profile honorees such as Patagonia Works, Ben and Jerry's and The Body Shop was a little-known business from South Korea, Oyori Asia. Oyori Asia was recognized as a World Honoree as Best for Overall 2019 and Best for Community 2019, a remarkable distinction given that the locally-registered social enterprise had just received its B Corp certification earlier that year.

In this case study, we examine the growing prominence of B Corps for social impact-driven firms around the world by using Oyori Asia as a focal point of analysis. Oyori Asia aspires to support economic independence of Asian women and create sustainable value through its global food business. The company maintains business operations in South Korea, Nepal and Thailand and offers job training and full-time employment opportunities to disadvantaged women. This case study employs a unique dataset through an in-depth interview with Oyori Asia's CEO, Lee Ji-hye, and highlights the opportunities and challenges of both B Corp certification and the social enterprise designation system in South Korea.

Key Words: B Corporation, Oyori Asia, social enterprise, social impact, sustainable business strategy

1. Introduction

In recent years, we have seen growing prominence of not only social enterprises but B Corporations (B Corps), or for-profit firms that aim to generate social value. For social enterprises, the number of registered social

enterprises in Korea ballooned from 51 firms in 2007, with the enactment of South Korea's Social Enterprise Promotion Act, to a total of 2,435 firms in 2019. This has been accompanied by an expansion of policy and financial support. At the same time, there have been concerns about the sustainability of social enterprises in South Korea, especially given

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a growing number of cancellations for social enterprise certifications. On the flip-side, we have seen an increase in the number of Korean firms seeking B Corp certification (which measures social and environmental performance of for-profit firms using its Business Impact Assessment (BIA) tool), although we find a lack of theoretical analysis or academic study.

To address this gap, this case study examines the growing prominence of B Corp certification for social impact-driven firms by using Oyori Asia as a focal point of analysis. Oyori Asia is just one of a few businesses that is both a certified social enterprise in Korea and has the B Corp certification. Given its unique position, we believe an analysis of the firm's management strategy will shed light on sustainable management of both financial and social impact. For the analysis, this case study begins with an overview of Korea's social enterprise certification system and B Corp certification process, and follows with a case study that utilizes a unique, semi-structured interview with Oyori Asia's CEO, Lee Ji-hye, to understand management strategies to generate financial and social value.

Oyori Asia aspires to support economic independence of Asian women and create sustainable value through its global food business and employment opportunities created through its business. The global, multicultural social enterprise received social enterprise certification in 2014 and B Corp certification in 2019. In addition to its local business, Oyori

Asia maintains service operations in developing economies to target impoverished women and local communities by supporting financial independence and generating social value. Oyori Asia's Spanish restaurant "Terreno" was selected as "1 star" by the Michelin Guide Seoul for two consecutive years (2020 and 2021), and in 2019 ranked among the top 10% of global B Corps and was recognized as a World Honoree as Best for Overall 2019 and Best for Community 2019. This is a remarkable distinction given that similarly honored businesses include long-established, globally-recognized firms such as Patagonia Works and Ben & Jerry's. As such, this case study, which employs an in-depth interview with Oyori Asia's CEO, aims to highlight opportunities and challenges of both B Corp certification and the social enterprise certification in South Korea.

II. Social Impact Accreditation Systems

2.1 Social Enterprise Certification of Korea

Following the Asian Financial Crisis in the late 1990s, Korea experienced a drastic increase in unemployment as a result of firm bankruptcies, corporate restructuring and market-based reforms (Kim and Cho 2012). Together with persistent slow economic growth and low birth rates, unemployment and social polarization have become some of the most

urgent concerns in Korea (Defourny, Kuan, Bidet, and Eum 2011). Indeed, the Korean government has tried to address the issue of unemployment among vulnerable social groups and expand the provision of social services for the groups through various government programs as stated in Table 1 (Kim and Cho 2012).

However, government welfare policies and efforts of various civil society organizations (CSOs) alone were insufficient in fully meeting the huge public need (Cho, Jeong, and Kim 2014). With a particular view to address employment opportunities for the youth and disadvantaged, the Korean government enacted the Social Enterprise Promotion Act in 2007, which is a governmental accreditation system in Korea.

In Korea, the official use of the term “social enterprise” is allowed only to those who are certified as a social enterprise by the Act (Defourny, Kuan, and Kim 2011). The definition of social enterprise in Korea is defined

in the Act article 2 as follows:

- *A company that does business activities of producing and selling products and services while pursuing such social purposes as providing vulnerable social groups with social services or jobs to improve the quality of life of the local residents*
- *A company which reinvests profits in the business or the local community putting a priority on pursuing social purposes rather than on maximizing profits for shareholders or owner of the company* (Source: KoSEA 2019)

Since the Act came into effect, the social enterprise sector has grown rapidly. As shown in Table 2 and Figure 1, the number of legally registered social enterprises has increased from 55 in 2007 to 2,201 in 2019 (KoSEA 2019).

According to the Act, social enterprises are classified into five different types in Korea:

〈Table 1〉 History of the Introduction of the Social Enterprise Promotion Act in South Korea

History of the Introduction of the Social Enterprise Promotion Act in South Korea	
Early 1990s	Production community movement and labor production associations began to grow up around low-income regions
Since 1990s	Rehabilitation and self-support project for the handicapped
1996	Self-support project of the Ministry of Welfare
1997	The public working program was launched with the economic crisis.
2000	Self-support assistance program by the National Basic Living Security Act
2003	Social Employment Project
2007	The Law on the Promotion of Social Enterprises was enacted, and 36 enterprises were certified initially
November 2019	A total of 1,937 companies were certified as social enterprises.

Source: Retrieved data from KoSEA Website

〈Table 2〉 The Number of Approved Social Enterprises in South Korea

Year	Applied	Approved	Survived (as of November 2019)
2007	166	55	36
2008	285	166	108
2009	199	77	57
2010	408	216	144
2011	224	155	108
2012	317	142	118
2013	469	269	207
2014	481	265	215
2015	427	295	256
2016	326	265	244
2017	306	256	252
2018	372	312	309
2019	451	258	318
total	4,431	2,791	2,372

Source: Retrieved data from KoSEA Website

〈Table 3〉 Different Types of Social Enterprises in Korea by Social Goals

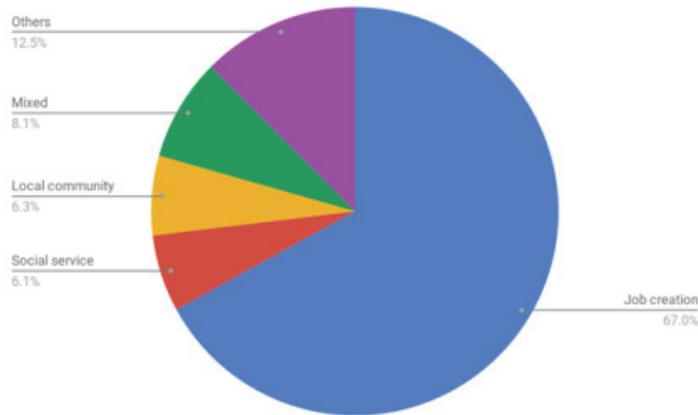
Types of Social Enterprise	Main Social Goals	Number of Certified SEs (Active as of Nov, 2019)
Job-creation Type	The main purpose of the enterprise is to offer jobs to vulnerable social groups.	1,590
Social Service Provision Type	The main purpose of the enterprise is to provide vulnerable social groups with social services.	145
Mixed Type	Job-creation Type + Social Service Provision Type	192
Other Types	A social enterprise of which realization of social purposes is difficult to judge on the basis of the ratio of employment or provision of social service.	296
Local Community Contribution Type	An enterprise which contributes to the improvement in the quality of life of the local community (newly defined in 2011).	149
Total		2,372

Source: Retrieved data from KoSEA Website

job-creation type, social service provision type, mixed type (job-creation and social service provision type), local community contribution type (newly defined in 2011), and other types

(see Table 3).

According to a report published by the KoSEA in 2019 (see Figure 1), job-creation type social enterprises constitute the highest



Source: Retrieved data from KoSEA Website

(Figure 1) Approved Social Enterprises in Korea by Social Goal Types (as of November 2019)

number of registered social enterprises at 67.2%, followed by other types (12.0%), mixed type (9.1%), social service provision (6.0%), and local community contribution type (5.7%). In terms of products and services, other types of social enterprises, including manufacturing, food manufacturing, and cleaning, account for the highest percentage (50%), followed by culture/arts, cleaning, education, the environment, and social welfare (KoSEA 2019).

But while Korea’s social enterprise system has been fairly well-established, there have been an increasing number of Korean firms that have sought other forms of certification – even among registered social enterprises. To better understand this phenomenon, the next section will highlight the B Corporation certification process.

2.2 B Corporation Certification

The B Corporation certification was devel-

oped in 2007, with the first American B Corps certified that year. The spread of B Corps began in earnest in 2012, and as of October 2020, there are more than 3,500 B Corps over 74 countries. These include firms such as Patagonia Works, Ben & Jerry’s, Danone North America and The Body Shop, as well as Korean firms such as Oyori Asia, Tella, dot, mysc, Hope Makers, Impact Square and Crevisse. Operated by the Standards Advisory Council and B Corp headquarters, the B Corp certification targets commercial firms that have lasted more than one year, regardless of size, region or industry. B Corp represents a private certification of for-profit companies that voluntarily meet rigorous social and environmental sustainability standards. B Corp certification is granted by B Lab using the B Impact Assessment (BIA), which measures how a company’s operations and business model impacts its workers, community, environment and customers (Kim, Karlesky, Myers,

and Schifeling 2016).

There are two major perspectives that support the mainstreaming of B Corp certification. One views the B Corp movement as an action beyond corporate social responsibility (CSR), while the other argues that B Corp may be an extension of CSR. One group of scholars interprets the B Corp movement as an action beyond corporate social responsibility (Kim et al. 2016; and Kim and Schifeling 2016). For example, Kim et al. (2016) and Kim and Schifeling (2016) find that B Corporations represent an unconventional identity of a new organizational form that seeks interests of both shareholders and stakeholders. Kim and Schifeling (2016) find that greenwashing trends among large companies motivate smaller companies traditionally interested in social and environmental causes to unite and stand together to transform the dominant system conventionally driven by profit maximization and shareholder-centered corporate governance. As such, key motivations for firms joining the movement include making changes to conventional business behavior and to demonstrate authenticity. Another group of scholars argues that becoming a B corporation is an extension of CSR (Harjoto, Laksmana, and Yang 2019; Hiller 2013). Hiller (2013) finds that aspects of Benefit Corporations (BC), which is a new organizational form emerging from the “triple-bottom line” trend, can be frameworked with CSR theories. Following Hiller (2013), Harjoto et al. (2019) also explain the rise of B Corps using a CSR framework

presented by Crane, Matten, and Spence (2008). These scholars interpret a firm’s decision to identify as a B Corporation as a voluntary action that aims to manage externalities to bring about positive social and environmental impact on society. In addition, B Corps take into account all stakeholders and try to integrate these interests with respect to corporate governance. As such, Harjoto et al. (2019) argue that B Corps can be explained as an extended CSR action based on Crane’s framework.

While the certification process and requirements differ based on a company’s size and structure, the process begins by completing the BIA (see Table 4). This free online assessment platform evaluates how a company interacts with workers, customers, community and the environment. After completing and submitting the BIA, B Lab verifies the score to determine if a company meets the minimum score (80 points) for certification. Once a company crosses the minimum threshold, it must submit or prepare confidential documentation to incorporate all stakeholders’ interests into the company’s governance (B Corporation 2020; Kim et al. 2016). To retain B Corp status, B Corps may update their BIA and verify updated scores every three years.

At this point, this case study turns to Oyori Asia as a focus of analysis in trying to understand the appeal of achieving B Corporation certification from the perspective of a registered social enterprise.

〈Table 4〉 4 Steps of B Corporation Certification Process

Step	Process	Work
1	Complete the BIA	The B Impact Assessment (BIA) is a free, online platform that evaluates how a company interacts with its workers, customers, community, and environment. By completing and submitting the BIA, companies begin the performance requirement of certification.
2	Meet the Legal Requirements	B Corporation provides a set of legal requirement tools to help companies determine how it can integrate stakeholder consideration into its governance structure. A company’s specific legal requirement and timeline will depend on location and structure.
3	Verification & Transparency	After completing the BIA, B Lab will verify scores to determine if a company meets the 80-point bar for certification. A company will meet virtually with B Lab staff to review the completed BIA and submit confidential documentation to validate its responses. To maintain certification, B Corps suggest companies updates their BIA and verify their updated score every three years.
4	Sign Agreement & Pay Annual Fee	To finalize certification, companies will sign the B Corp Declaration of Interdependence, B Corp Agreement, and pay their annual certification fees. Fees vary by region. B Lab provides a list of information on its website about the fees for companies based in the United States and Canada. It provides a separate list for companies in Latin America, East Africa, Europe, the UK, Australia or New Zealand on its global partner websites for local pricing.

Source: Retrieved information from B Corporation Website

III. Company Overview and Growth Process

3.1 Founding Background

In 2008, Ms. Lee Ji-hye (CEO of Oyori Asia) founded a multicultural restaurant, Organization Yori, with CEO Han Young-mi, the current representative of Organization Yori. Prior to the restaurant’s founding, Organization Yori operated a youth entrepreneurship project

called “Work and Cooking” at the Haja Center, a youth vocational center located in Seoul. This was then registered as a non-profit organization in Seoul in 2008 and became a certified social enterprise by the Ministry of Employment and Labor in 2008. Since then, Organization Yori has operated a multicultural daycare center and a multicultural restaurant, Oyori.

Initially, the company did not intend on operating a food business. However, founding management recognized that food itself was a

〈Table 5〉 Key Data for Oyori Asia

Mission & Vision	Supports the socio-economic independence of poor women and youth in Asia through the value of food and the joy of working.
Business Area	Restaurant/Café/Guesthouse operation, Business consulting services, etc.
Legal Business Type	Commercial company (registered under commercial law)
Social Enterprise Certification	Certified since 2014 (Type: Other type)
B Corporation Certification	Certified since 2019 (Sector: Service with Significant Environmental Footprint)
Paid Employees	25 employees
Unpaid Employees	None
Average Wage	KRW 2.68 million (as of 2019)
Annual Revenue	KRW 3 billion or more (last 3 years)
Annual Operating Profits	KRW 50 million ~ less than KRW 100 million (last 3 years)
Annual Net Profits	KRW 10 million ~ less than KRW 50 million (last 3 years)
Government Subsidy	KRW 50 million to less than KRW 100 million (total for the last 3 years)

Sourced from the questionnaire conducted in this research

useful platform to reach out to underprivileged youth. Also, while the catering industry is a highly accessible industrial field to the underprivileged, there were many obstacles and problems that were not being effectively addressed in the sector. As such, the enterprise began to run a social restaurant. In 2011, co-CEO Lee Ji-hye stepped back from Oyori and established Oyori Asia in order to focus more on pursuing her mission to support the socioeconomic independence of poor women and local residents in Asia by expanding the business area to not only the food industry but also the accommodation industry.

Today, Oyori Asia is a creative and innovative certified global social enterprise with a mission to support socio-economic independence of poor Asian women and local residents through

jobs in food and accommodation. Oyori Asia was established as a company under Commercial Law in 2012 and obtained social enterprise certification from the Ministry of Employment and Labor in 2014 (see Table 6). The main business of Oyori Asia is accommodation and catering, but it also provides consulting services to other catering companies and operates overseas businesses as well. Since its inception, Oyori Asia has generated positive financial performance with steadily increasing profits while expanding its main business areas (see Table 7).

According to the most recent data, Oyori Asia has 25 paid workers (as of 2019) and no unpaid workers. Based on our interview with the CEO of Oyori Asia, workers receive vocational training in addition to fair wages (see

〈Table 6〉 History of Oyori Asia

Timeline	Key Events
2008	Co-founder of Organization Yori
2012	Founded Oyori Asia
2013	Launched Café Mitini at the SEA center in Kathmandu, Nepal
	Launched a casual western food restaurant Oyori the Grill in Chiang Mai, Thailand (Closed in 2018)
2014	Certified as a social enterprise under the Korea Social Enterprise Act (Ministry of Employment and Labor)
	Launched a Spanish restaurant Terreno in Bukchon, Seoul
2015	Started outsourcing operation of Seoul Women's Plaza* (ended in 2017)
2016	Selected as one of the best social enterprises in Seoul
	Selected among the top 10 of Korea Food Ranking (KOREAT) in 2016
2017, 2018	Selected as "the plate" by the Michelin Guide Seoul
2018	Supported Café Mitini 2nd store in Nepal
	Started outsourcing operation of Seokhang Trainstay** in Gangwon-do
	Started a project supporting startup of young adults in Jeju Island***
2019	Became a certified B Corporation
	Recognized as a World Honoree as Best for Overall 2019 and Best for Community 2019

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〈Table 7〉 Oyori Asia's Financial Performance (KRW 1,000)

	2016	2017	2018
Revenue	3,065,625	2,829,736	391,399
Operating Profit	-76,614	-411,189	54,015
Net Profit	374	-373,277	117,248

Source: KoSEA Autonomous Management Disclosure System

Table 5). For example, according to the results of Income by Wage-Working Jobs in 2017, published by the National Statistical Office of Korea, it was found that accommodation and food service workers received the lowest wages (1.22 million won) in a survey of average wages by industry in South Korea.

By comparison, the average wage of workers in Oyori Asia is about 2.68 million won (as of 2019 Autonomous Management Disclosure), or more than two times the industry average. In addition, the average tenure of workers is 5 years or more, indicating that the enterprise provides a high-quality working envi-

ronment for its workers that results in low turnover and stable employment.

In Korea, Oyori Asia operates social restaurants such as Terreno, a Spanish restaurant in Bukchon, and El Txoko de Terreno, a basque grill & bar in Hannam-dong. It also supervises the “Restaurant Establishment Project” in Jeju island, South Korea with the goal of supporting the independence of women and youth through jobs in the food industry. The restaurants provide vocational training and internship opportunities for youth from child-care facilities and out-of-school youth. But alongside the core social mission of the restaurants, Oyori Asia has placed the utmost importance on pursuing the highest standards of quality. Thanks largely to their efforts, Terreno was selected among the top 10 of Korea Food Ranking KOREAT in 2016 and selected as “the plate” by the Michelin Guide Seoul for two consecutive years in 2017 and 2018 (see Table 6).

3.2 Social Values of Oyori Asia:

Providing Employment and Dignity to Disadvantaged Women

When it comes to the local community, Oyori Asia has contributed to the creation of jobs in the local community and expansion of local social businesses by operating several projects commissioned by government agencies. For example, the company commissioned rental facilities such as training accommodations, banquets, and wedding halls at the Seoul

Women’s Plaza under the Seoul Women’s Family Foundation until 2017. Recently, it has made substantial efforts to create jobs for local residents in abandoned mine areas and local community development by consigning Seokhyang Train Station in Yeongwol-gun, Gangwon-do. Oyori Asia offers general and professional consulting for social enterprises in the food service industry, such as preliminary social enterprises, cooperatives and village enterprises. It also provides coaching and consulting for management strategy, promotion marketing and menu development.

Overseas, Oyori Asia once operated Oyori the Grill in Chiang Mai, Thailand (ended in 2018) and currently operates Café Mitini in Kathmandu, Nepal, pursuing the social mission of supporting socioeconomic independence through capacity-building and entrepreneurship development of women and young adults in the food service industry. Oyori Asia started Café Mitini in Nepal as a consigned operation of a café located in the Social Enterprise Activation Center (S.E.A Center) in Kathmandu, which was one of the official development assistance (ODA) intervention programs of KOICA (Korea International Cooperation Agency). Oyori Asia offered barista vocational trainings and internships for local poor women and youth by operating the café. Now, there are three branches of Café Mitini running by the underprivileged women in Nepal.

IV. Analysis

4.1 The Case for Social Enterprise Certification in South Korea

Very early in Oyori Asia's history, executive management sought social enterprise certification (see Table 6). This may be a natural extension of prior work with Organization Yori and its social enterprise certification, as well as Oyori Asia's commitment to its core, social mission-driven business model. In terms of taxonomy, there are several competing definitions of social enterprises or social entrepreneurship in the academic literature and in practice. In South Korea, the Korea Social Enterprise Promotion Agency (KoSEA) defines a social enterprise as "a company or organization which performs business activities while putting priority on the pursuit of social purposes" (KoSEA 2020). Social purposes identified by KoSEA include employment opportunities for vulnerable groups, promotion of local community and public interest development, democratic decision-making and profit reinvestment for social purposes, while business activities include an emphasis on paid employees and profit generated from operations to be more than 30% of labor (personnel) cost.

In South Korea, the Law on the Promotion of Social Enterprises was enacted in 2007, with 55 enterprises initially approved as social enterprises. As of October 2020, a total

of 2,626 enterprises have been certified under the Promotion Act, with one being Oyori Asia. Businesses that are eligible for social enterprise certification include corporations or cooperatives under the Civil Law, a company or limited partnership registered under the Commercial Act, or a corporation or non-profit private organization under special laws or acts. Firms that aim to pursue social enterprise certification undergo a rigorous process that first includes notice for certification application (to the Ministry of Employment and Labor, or MOEL), counseling by supporting agencies and consulting by KoSEA, an application to KoSEA, document review and site inspection by KoSEA and supporting agencies, recommendation from public authorities and central government agencies, pre-screening by the MOEL and screening by KoSEA, followed by social enterprise certification (MOEL) and issuance (KoSEA).

In terms of value assessment, the social value index (SVI) measures social outcomes and impacts generated by social enterprises through organizational operations. The firm's social value is measured through a self-diagnosis kit consisting of 14 indicators across three categories: social value, economic value and innovation performance. KoSEA is active in providing training with social entrepreneurs, consulting and support for commercialization, monitoring and evaluation, as well as supporting networks of social enterprises at the industry, regional or national level. In this

sense, certified social enterprises are able to benefit from not only financial support but a wide array of professional support services. The active role of the MOEL since the certification's inception can be attributed to one of the Ministry's primary goals: to increase employment (Cho et al. 2014). In this sense, Oyori Asia has been incredibly successful at providing stable employment for underserved groups at a wage level that is much more competitive than the industry average.

But as noted by Kim and Kim (2016) and Choi and You (2013), while job creation and social re-investment were major social achievements for certified social enterprises in South Korea, we have also seen high dependence on government support. This was particularly the case for payroll expenses. Although we cannot overgeneralize the case of Korean social enterprises, the strong emphasis on social

impact over financial returns (especially the re-investment of profits into social purposes) may hinder firms from investing in and pursuing greater business innovation, and thus rely on government support to help pay for overhead costs.

At the same time, we have social enterprises such as Oyori Asia that have sought additional certification - specifically, B Corp certification. The question, then, is why firms would consider an additional distinction even though it may turn out to be an added administrative and financial burden? We explore this further in the next section.

4.2 What Makes the B Corp Distinction Different?

"In 2011, I attended the SOCAP Conference in San Francisco. I was the first to receive a fellowship from



(Figure 2) Spectrum of Business Models

Korea and I took the chance to feel out the atmosphere on impact value measurement and get an idea about social value trends. When I attended the conference, we received some books. This included special issues of books from the Stanford Social Innovation Review, and I saw a few pages that shared about institutions that measured social value. When I came back to Korea, I started to let others know that there were overseas impact measurement institutions and standards.”

– Oyori Asia CEO, Lee Ji-hye

According to Oyori Asia’s CEO, Lee Ji-hye, the application process itself took over one year. This included preparing the self-assessment in-house while maintaining contact with B Corp headquarters. Ms. Lee detailed her experience with reporting and providing paperwork for items such as payroll, for which the Oyori Asia team made significant efforts to distinguish between the nominal amount and the meaning behind wage levels. She believed these efforts and showing how this contributed to building the local community resulted in high marks by B Corp headquarters.

“For the B Corp certification, an executive and I went to great lengths to explain the KRW 2 million monthly wage that we provide (in the abandoned mine region) by researching the local average (between KRW 1 million and 1.5 million), translating this into English, and providing evidentiary support for the work and the standards used to value this.”

– Oyori Asia CEO, Lee Ji-hye

But unlike the social enterprise certification system, which provides financial support for certified social enterprises, B Corp certification

comes about only after tremendous administrative effort. In addition, certified firms must pay an annual fee. The question, then, is what distinguishes B Corp certification to the extent that businesses registered as social enterprises are willing to make the extra effort to become B Corp-certified – and this at an added cost?

From the perspective of B Corporation, there are at least six tangible benefits of the B Corp certification that businesses can utilize. This includes leading a movement, which involves setting high standards for good business which can then contribute to more rigorous performance standards and legal structures. The second is building meaningful relationships and networking among like-minded, mission-driven for-profits to tackle broader social and environmental issues. Third, the B Corporation certification can be useful in attracting talent, as the certification serves as a verification of a business’ social impact and may more actively engage talented human resources. Fourth, the B Corp certification and accompanying B Impact Assessment can help firms improve impact by setting goals for improving impact and tracking performance. Fifth, the B Corp certification will help firms stand out and amplify their voices through the B Corp seal, as the seal communicates to key stakeholders the business’ commitment to generate environmental and social impact. Lastly, firms can help protect its mission over the long-term in terms of setting strong legal foundations.

The academic literature also confirms several of these proposed benefits. In particular, research that has examined the rise of B Corps note the importance of legitimacy through external validation. We note that conventional, profit-driven firms felt compelled to respond to changing trends that emphasize responsible and sustainable business practices. This can be evidenced by the global increase in ethical consumption and conscious customers interested in sustainable consumer brands (Stamer 2016). But since consumers do not recognize brands that pretend to be companies that care superficially about social and environmental values, corporations have felt the need to devise strategies to help illustrate the authenticity of a firm's commitment to social and environmental causes (B Corporation 2020; Stamer 2016). In this sense, firms need an objective measure to demonstrate sustainability initiatives through external verification, such as B Corp certification.

Second, although we have seen an increase in corporate citizenship efforts, such as corporate social responsibility (CSR), creating shared value (CSV) and sustainable business management, most large firms are still in the business of maximizing profits. This type of "greenwashing" boom among large firms has encouraged mission-driven companies to distinguish them from conventional profit-driven companies and their superficial efforts (Kim et al. 2016). As such, small- and medium-sized enterprises (SMEs) that have had a long-standing commitment to social and environ-

mental issues have looked to confirm and appeal to their identity and authenticity by suggesting a new form of organization, such as the certified B Corporation (Ibid). At the same time, we note that the role of large corporations is essential to catalyzing social change. Global companies such as Ben & Jerry's and Patagonia Works have prioritized societal and environmental agendas as well as key stakeholders' interests, broadening corporate goals to beyond maximizing shareholder values. As a result, we have seen more conventional firms joining the movement to set high social and environmental performance standards for responsible business.

Lastly, there are also practical benefits that companies can gain through B Corp certification. Certified B Corps can benchmark best practices in the same or across different industries, with companies able to discover operational costs and inefficiencies through the certification process (Stamer 2016). In addition, B Corporations can attract a new generation of employees looking for careers that positively impact society. By obtaining the certification, the company's working environment improves and thus leads to more engaged employees (Kim et al. 2016; Stamer 2016).

In addition to these explanations, our interview with Oyori Asia's CEO shed light on the role of stakeholder satisfaction and pride in reinforcing the firm's efforts in driving social impact. Upon receiving B Corp certification, Ms. Lee noted: "There was high sat-

isfaction among our investors and employees. Our investors were so proud that we attained an international certification and ranked within the top 10%. We received many compliments from those investors who had a high preference for anything globally-oriented.” This sense of pride and accomplishment was further echoed by the company’s employees. As noted by Ms. Lee: “Our employees were particularly happy with the certification. Just as much as our restaurant division was thrilled with receiving a Michelin star, our back office and Oyori Asia-related departments - which are focused on our social mission - were extremely proud that we received global certification and recognition.” This suggests that the rigorous overseas assessment served as a valuable source of validation above and beyond the social enterprise certification, which in turn enhanced stakeholder satisfaction and morale.

4.3 Business Strategy of Oyori Asia

This section describes Oyori Asia’s business strategy according to BIA standards and suggests what business practices play a role in achieving both social and financial value.

“When comparing the evaluation scores, “Governance” was not very high and “Community” was the highest. The working environment in Korea, such as full-time and non-regular employment insurance, is relatively well institutionalized compared with the US. So, my company received a higher-than-average score in the “Workers” category. In the “Environmental” section, there are many technical questions related to carbon

credits, so Oyori Asia has a low score because there is not much to report.”

– Oyori Asia CEO, Lee Ji-hye

B Lab evaluates each company’s social and economic value in the five impact areas and announces the ten top-performing B Corps every year based on the BIA results. This included recognition for impact-driven businesses in the areas of environment, community, customers, workers and overall impact, or those that earned a score in the top 10% on the BIA. In 2019, Oyori Asia was recognized as a World Honoree as Best for Overall 2019 and Best for Community 2019. Oyori Asia received the highest evaluation in the Community category among the five impact areas, followed by workers and governance areas (see Table 8).

First, Oyori Asia focuses on contributing to the development of local communities. Of the evaluated categories, the company received its highest score of 82.5 in the Community impact area. Oyori Asia strives to coexist with local communities through business, such as Seokhang Train Stay, a youth incubation project in Jeju Island, and a startup café support project in Nepal. Ms. Lee noted: “In fact, local purchasing power and local job creation had the most influence in the evaluation for B Corp certification. The youth incubation project in the Jeju-do and Seokhang regions that focus locally, accelerating startups in the local community, and creating social business jobs, seem to have received a lot of recognition from the community.” In addition,

barista training and supporting projects for café/restaurant startups in low income Asian countries and capacity-building of youth from orphanages in Korea have been recognized for its impact on job creation and capacity-building for the vulnerable. These factors contributed to the high BIA score in the Community area.

Second, in terms of Governance, democracy-related factors in Oyori Asia's governance structure received positive recognition through the BIA. Democracy in Governance means that employee representatives discuss and participate during the decision-making process. For example, Oyori Asia has a balanced structure of 1:1 at the board of directors, with four executives and four worker representatives constituting internal stakeholders. In addition, the characteristics of outside shareholders are composed only of non-profit foundations, not for-profit organizations. As such, Oyori Asia embodies what it means to use business as a force for good. By blending its vision and values into their company by-laws, Oyori Asia ensures that its mission will continue with transparency and accountability.

〈Table 8〉 Oyori Asia's B Impact Score (2019)

Area	Score
Governance	10.4
Workers	19.2
Community	82.5
Environment	7.8
Customers	0.3

Source: B Corporation Website

Lastly, Oyori Asia prioritizes employees and emphasizes fostering employee ownership. Oyori Asia received its next highest score in the Workers section, following the Community area, mainly due to the relatively well-institutionalized working environment of Korea, compared to the US. Adding to these assessment results, this research also finds through interviews with Ms. Lee that Oyori Asia's management direction emphasizes employee ownership. Ms Lee noted: "Oyori Asia's growth strategy is our people. Whether we develop a new market or develop a new menu, people are important. For example, as the current chef becomes the joint representative and investment proposals are also coming in. Oyori Asia has the foundation, but there is also the representation of the co-president. In this way, I think the business grows as our talented people continue to be leaders."

V. Conclusion: Lessons from Oyori Asia and Looking Forward

"Korea is very results-oriented. It focuses on evaluating what has been done, while the U.S. narrative is to bring about social value. For example, we receive points (for B Corp) if we provide a written pledge to hire ethically and source environmentally-friendly materials. In Korea, it is more like 'if you do this, we will give you personnel expenses.' They are very different directions. In my opinion, B Corp seems to emphasize the message to 'take action,' whereas Korea's social enterprise certification system seems

to place more meaning behind 'because you took an action, we will give you something.'

– Oyori Asia CEO, Lee Ji-hye

Based on the case of Oyori Asia, we suggest that the B Corp certification does not negate the benefits of Korea's social enterprise certification. In fact, the latter provides financial and business support that is unique to the social enterprise certification system. But when it comes to driving future social value through rigorous self-assessments and public commitments, the B Corp certification provides an incentive mechanism that is absent in Korea's social enterprise certification system. As such, B Corp certification is an attractive option for firms that wish to validate their commitment to creating social impact in the areas of workers, community, environment and customers.

But with the benefits of B Corp certification come several challenges. As found in the case of Oyori Asia, the administrative burden of self-assessment is one of the biggest obstacles to certification. Even in Oyori Asia's case, the CEO noted: "Every year, we prepare a social impact measurement report (for internal and external use) based on the SPC tool created by SK. We felt that we could use this for B Corp assessment and in reality, this helped us in over 50% of our assessment. However, we found that there was much more work than we had anticipated." This process ended up taking one year, and management waited several years before pursuing B Corp certification

due to the anticipated administrative burden.

Another major challenge for Korean firms seeking B Corp certification is the language barrier. Currently, the self-assessment is only available in English, with the application and all supplementary materials having to be provided in the English language. While there are local organizations that advertise B Corp consulting services, Oyori Asia's CEO found that actual resources are very limited and that it is up to the applying firm to take charge of the process from beginning to end. Indeed, Oyori Asia personnel worked closely with B Corp headquarters to understand the nuances of each question and took care to find and translate necessary materials for the assessment. If the experience of Oyori Asia serves as a guide, and should these challenges be addressed, we may be able to witness a boom in B Corp certification globally as well as in South Korea in a way that leads to tangible, sustainable social impact.

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비콥인증 사회적기업의 사회적가치 추구 경영전략: 오요리 아시아 사례연구

전희경* · 김윤정**

요 약

전 세계적으로 사회적기업 뿐만 아니라 사회적 가치를 추구하는 영리기업에게 B Corporation(이하, 비콥) 인증의 중요성이 점점 커지고 있다. 비콥 인증은 영리기업의 비즈니스가 창출하는 사회·환경적 성과를 Business Impact Assessment 평가틀로 분석하여 기업의 임팩트를 객관적으로 산출하는 인증제도이다. 최근 한국에서도 기업의 사회적가치 증명과 더욱 활발한 임팩트 투자 유치를 위하여 비콥 인증을 받으려는 기업의 관심이 높아지고 있는 반면, 본 제도에 대한 이론적 검토 및 학문적 연구는 아직 부족한 실정이다.

이에 본 연구는 국내에서 사회적기업인증과 비콥 인증 두 가지를 모두 받은 몇 안되는 기업 중 하나인 오요리아시아의 사례를 연구하여 두 가지의 인증 획득을 통해 기업이 얻은 경영전략적 이점을 도출하여 사회적기업이 경제적 성과와 사회적 성과를 균형있게 달성할 수 있는 지속가능경영전략을 제시하고자 한다. 본 연구는 먼저, 국내 사회적기업인증제도와 해외의 비콥인증제도를 살펴보고, 다음으로 반구조화된 인터뷰방법을 활용한 사례연구를 통해 오요리아시아의 사회·경제적 가치를 추구하기 위한 경영전략을 분석하였다.

오요리아시아는 외식업, 숙박업 분야의 일자리를 통해 여성과 청소년의 역량강화 및 자립을 지원하는 창의·혁신형 인증사회적기업으로, 2014년 사회적기업인증을 받고 2019년 비콥 인증까지 받은 글로벌 다문화 사회적기업이다. 오요리아시아는 국내뿐만 아니라 개발도상국에서도 서비스업을 통해 빈곤 여성 및 지역주민의 사회경제적 자립을 지원하는 사회적 가치를 추구하고 있다. 특히, 오요리아시아의 스페니쉬 레스토랑 Terreno는 2년연속(2020년, 2021년) 미셸린 가이드 서울에서 “1 스타”로 선정되었고, 2019년에는 전세계 비콥 인증 사회적기업 중 상위 10%에 해당하는 ‘Best for World’에서 커뮤니티 부문(‘Best for Community 2019’)과 종합 부문(‘Best for Overall 2019’)에 선정되는 등 사업의 전문성과 사회·환경적 성과 모두를 인정받고 있는 사회적기업이다. 이는 파타고니아(Patagonia Works)나 벤앤제리스(Ben & Jerry’s)와 같은 오래 전부터 세계적으로 인정받고 있는 글로벌 대기업들과 함께 선정되었다는 점에서 매우 주목할 만한 성과이다. 따라서 본 연구는 오요리아시아 대표와의 심층적 인터뷰를 통해 획득한 경영전략 데이터 및 문헌검토를 바탕으로 한국사회적기업인증 및 비콥인증 활용의 기회 및 과제를 제시하고자 한다.

주제어: 비콥(B Corp), 오요리아시아, 사회적기업, 사회적가치, 지속가능경영전략

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